

Inclusive, Sustainable, Prosperous and Resilient Health Systems in Asia and the Pacific

INSPIRE Health Forum

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PARALLEL SESSION #INSPIREhealth2025

Healthy Aging: the integral role of long-term care

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Multi-function Hall 2



Financing Policy for Long-term Care

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Long-term Care (LTC)

“a range of services required by persons with a reduced degree of functional capacity, physical or cognitive, and who are dependent for a prolonged period of time on help with basic activities of daily living (ADL) such as bathing, dressing, toileting, eating, etc.

This personal care is also combined with basic medical services, nursing care, prevention rehabilitation, or palliative care.

Also, LTC services can be provided with help with instrumental activities of daily living (IADL) such as cleaning, preparing meals, shopping, etc.”

(OECD, 2005, *Long-term care for older people*)

1. Context: Demand for Long-term Care (LTC)

Population ageing and trend

- Health, functional capacity or disability of older people
- Financial capacity (capacity to pay) of older people: e.g., pension, - Family structure, living alone
- Attitude toward care giving (for older people), gender issues

Informal care (e.g., family caregiving)

- Reduce labor participation (especially women)
- Deteriorate well-being for both caretakers and caregivers: quality of unpaid/informal care can be questionable?

Lack of LTC could result in costly social admissions in hospitals

2. Design of LTC Financing

Resource generation, Pooling, Purchasing

Resources: Mainly **public funding** (tax or mandatory insurance contribution, e.g., long-term care insurance (LTCI))

Pros and cons of different financing options

- Extend health insurance benefits to cover some LTC
- Allocate new budget for LTC
- Mix: e.g., HI for institutional care, Budget for home-based care

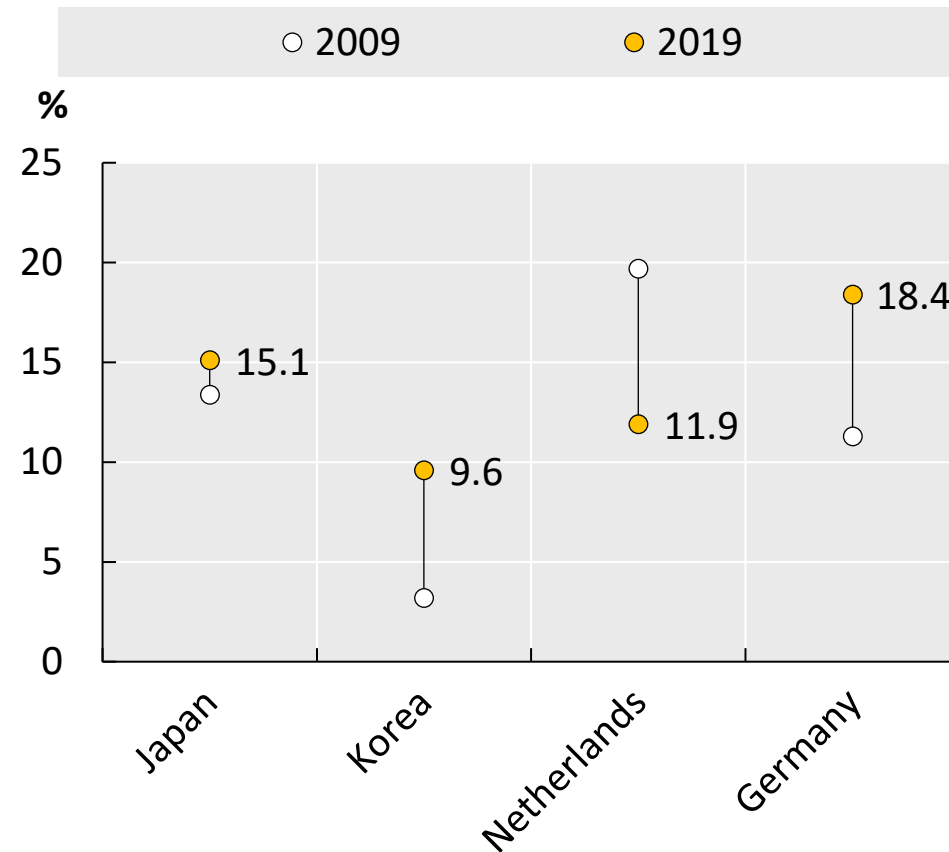
Needs Assessment and Eligibility in LTC Insurance

Needs assessments of both physical and cognitive disability

Beneficiaries as % of +65

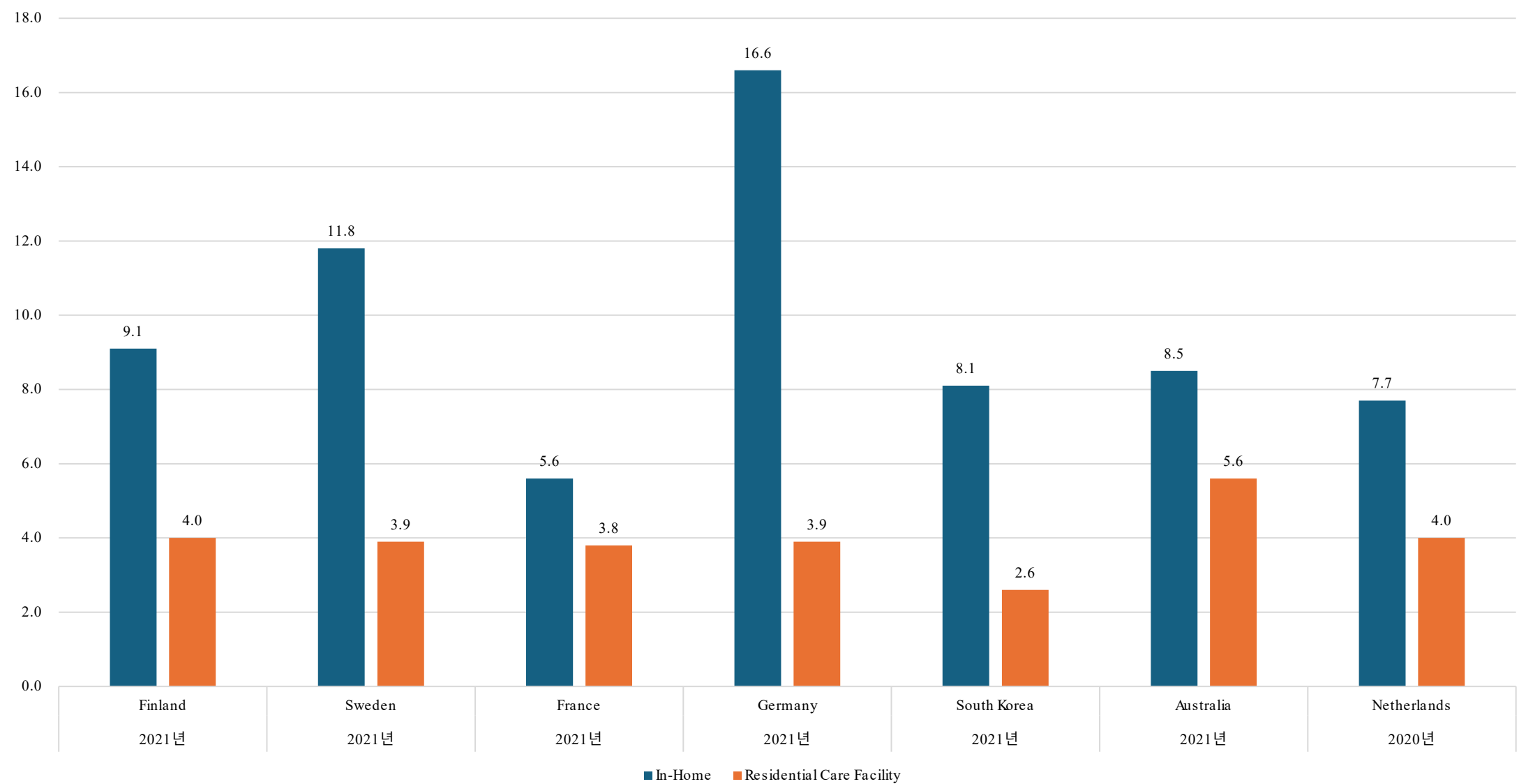
- Japan: 15.1%
- Korea: 9.6%
- Netherlands: 11.9%
- Germany: 18.4%

-> stage of population ageing, stringency of population coverage



(source: Morikawa, 2014; Okamoto, 2022; OECD, 2021; OECD, 2022)

Home-based vs Residential Care



3. Governance

Roles and responsibilities of **MoH, MoSW**, MOF, local governments, etc. -> key challenges in Asia

Centralization vs. decentralization:

role of social welfare services of local governments

LTC financing **separate** from H financing or not

- Foreclose the spillovers of medicalization (i.e., dominant role of physicians)?

Path Dependency

Similarity between health care and LTC financing

e.g., Tax-based financing for HC and LTC

in Sweden, Australia, New Zealand, UK

e.g., Same insurer for HC and LTC: save administrative costs

-> Sickness funds in Germany, NHIS in Korea, Local governments in Japan

Difference: generosity of benefits, eligibility

-> targeting (income, need) or high copayment in LTC financing

4. Coordination between Health care and LTC

Continuum of care

- for Ageing in place and Healthy ageing
- Digital technology can contribute to Person-centered Interconnected Universal Health Coverage (UHC)
- How can coordination work among different interest groups?
e.g., GPs, specialists, hospitals, LTC facilities, home-based LTC providers, social service providers etc.
- > Political economy, need for a key role of primary care

5. Performance of LTC Financing

Coverage and Financial Protection:

LTC services coverage, Number (%) of people covered, Catastrophic LTC expenditure, Unmet need

Expenditure: Total LTC expenditure (% of GDP), Financial sustainability (of LTC financing system)

Quality: Health status, Quality of life, Burden on family, Person-centeredness,
Coordination of HC and LTC

Equity: Equity in payment, utilization, and outcomes